

Amend CSSB 14 (House Committee Printing) by inserting the following appropriately numbered ARTICLE into the bill and renumbering existing ARTICLES accordingly:

ARTICLE _____. CANCELLATION OF CERTAIN INSURANCE POLICIES

Sec. _____.01. Section 4, Article 21.49-2B, Insurance Code is amended by amending Subsection (i) and adding Subsection (j) to read as follows:

(i) An insurer may cancel any insurance policy other than a personal automobile or homeowners insurance policy if the policy has been in effect less than 90 days. An insurer may cancel a personal automobile insurance policy if the policy [it] has been in effect less than 60 days. An insurer may cancel a homeowners insurance [any other] policy if the policy [it] has been in effect less than 60 [90] days if:

(1) the insurer identifies a condition that:

(A) creates an increase risk of hazard;

(B) was not disclosed in the application for insurance coverage; and

(C) is not the subject of a prior claim; or

(2) before the effective date of the policy, the insurer does not accept a copy of a required inspection report that:

(A) was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and

(B) is dated not earlier than the 90th day before the effective date of the policy.

(j) For the purposes of Subsection (i), an inspection report is deemed accepted if an insurer does not reject the inspection report given to the insurer under Subsection (i)(2) before the 11th day after the date the inspection report is received by the insurer.